



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

May 12, 2005

MEMORANDUM

To: Representative Suder

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263
Marc E. Shovers, Sr. Legislative Attorney, (608) 266-0129
Christopher Sundberg, Legislative Attorney, (608) 266-9739

Subject: Technical Memorandum to **2005 AB-208** (LRB 05-1297/4)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

May 10, 2005

TO: Joseph Kreye
Christopher Sundberg
Marc Shovers
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on AB: 208: Job Opportunity Building Development Zones

The Department has the following technical comments regarding the bill.

For All Three Credits

- For businesses certified by Commerce for credit, it is unclear what it means to begin operations in a zone. For example, it is unclear if the sale of a business in a zone to another person would qualify the new owner as starting business operations.

Rural Enterprise Development Zone Jobs Credit

- For purposes of paragraph s. 71.28(3w)(bm)4 and s. 71.47(3w)(bm)4, it is unclear what is included in the amount paid to upgrade or improve the skills of employees, or if it includes wages of a supervisor who trains new employees.
- For purposes of paragraph s. 71.28(3w)(c) and s. 71.47(3w)(c), a refund is allowed for credit that exceeds tax due under 71.02. It should also be allowed for credit that exceeds tax due under 71.08.

Earlier technical comments have been addressed in the Assembly Substitute Amendment 1. These comments included offsetting the alternative minimum tax, denying multiple credits for the same investments or jobs, requiring certification to claim certain credits, defining income as "net income" for the income credit, denying the capital gains exclusion for gain already excluded under another exemption, and requiring employees to be located in the zone for the training credit.

If you have any questions regarding this technical memorandum, please contact Pam Walgren at 266-7817.

cc: Representative Suder